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INFO RUEHBJ/AMEMBASSY BEIJING 9884
RUEHLM/AMEMBASSY COLOMBO 2994
RUEHKA/AMEMBASSY DHAKA 3012
RUEHIL/AMEMBASSY ISLAMABAD 5896
RUEHBUL/AMEMBASSY KABUL 2322
RUEHKT/AMEMBASSY KATHMANDU 3655
RUEHLO/AMEMBASSY LONDON 7985
RUEHMO/AMEMBASSY MOSCOW 6340
RUEHKO/AMEMBASSY TOKYO 2651
RUEHCI/AMCONSUL CALCUTTA 1113
RUEPCG/AMCONSUL CHENNAI 0814
RUEHDE/AMCONSUL DUBAI 0541
RUEHKP/AMCONSUL KARACHI 1849
RUEHLH/AMCONSUL LAHORE 1998
RUEHBI/AMCONSUL MUMBAI 0067
RUEHPW/AMCONSUL PESHAWAR 2684
RUEATRS/DEPT OF TREASURY WASHDC
RUCNDT/USMISSION USUN NEW YORK 8701
RHEHNSC/NSC WASHDC
RUEIDN/DNI WASHINGTON DC
RHHMUNA/CDR USPACOM HONOLULU HI
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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 000556

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TAGS: [PTER](#) [PREL](#) [PGOV](#) [PINR](#) [ASEC](#) [KISL](#) [IN](#) [PK](#)

SUBJECT: JEHADI TERRORISM STALKS INDIA'S TIES WITH AMERICA

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Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

1. (C) Summary: India enters the new year under the continued threat of jihadi terrorist attacks that could harm American interests and negatively affect Indo-Pak relations. The nature and scope of terrorist attacks launched by jihadi groups, particularly Pakistan-based Lashkar-e-Toiba (LeT), evolved over the last year to include bombings of 'soft' economic and public targets outside of Jammu and Kashmir (J&K). These attacks demonstrate a renewed focus on spreading terror beyond J&K into 'mainland' India, and an increasing determination to attack vital economic targets such as the Indian Institute of Science in Bangalore. Within J&K, reports indicate that jihadi groups have increasingly infiltrated business and political organizations, so as to increase their support and operational effectiveness. Outside of Kashmir, jihadi groups drew upon local support networks to mount their 2005 attacks in Ayodhya, Delhi, and Bangalore, although commentators believe such networks are still insufficient to support a sustained terror campaign. Attacks like those in 2005 appear designed, in part, to threaten foreign citizens and corporations, and to undermine the burgeoning Indian economy. Enhanced intelligence sharing on terrorism within India and on terrorist threats emanating from Pakistan provides the best means to safeguard American lives and interests. End Summary.

THE JEHADI THREAT: OUT OF THE VALLEY, INTO DAILY LIVES

12. (C) Jehadi groups have spent the last decade attempting to build terror networks outside of J&K according to PolOff interviews with terrorism experts Ajai Sahni (South Asia Terrorism Portal), Suba Chandran (Institute for Peace and Conflict Studies), and Wilson John (ORF). That campaign has enjoyed episodic tactical effectiveness to date, with both successful and disrupted terrorist attacks beginning in the mid-1990s and continuing up to the recent attack in Bangalore. Commentators agreed that these attempts to create a terrorist infrastructure in 'mainland' India have been driven by a variety of factors. One is the greater attention that attacks in places such as Delhi command among an Indian public, and local and international press, long accustomed to terrorism in J&K. Another is the ideological commitments of the various jehadi organizations. Ajai Sahni noted that attacks outside of J&K allowed jehadi groups to portray their cause as pan-Indian in nature, rather than simply focused on J&K. The LeT in particular, Wilson John noted, has long made clear its commitment to attacks throughout India; often in speeches vowing to 'liberate' areas with large Muslim populations such as Hyderabad. Such groups lump India in with the US, UK, Russia, and Israel, as their primary targets.

THE CANCER WITHIN?

13. (C) Indian commentators argue that jehadi organizations have succeeded in implanting small networks of supporters across India, but do not have the type of deep rooted local support needed to wage a sustained terror campaign outside of J&K. Ajai Sahni and Suba Chandran ascribe this failure to the Indian state's ability, however imperfect, to provide sufficient social, economic, and political space to its

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Muslim population to prevent large-scale alienation and estrangement. Wilson John was less sanguine, arguing that the networks represented a tentative alliance between disaffected local Muslims, embittered by incidents such as the Gujarat riots, and jehadi organizations such as LeT. Wilson John did not believe that Indian Muslims shared LeT's ideology, but that LeT provided a vehicle through which they could express their anger at the Indian state. The local networks were, he said, incapable of mounting operations on their own or of supporting a widespread terror campaign, but were sufficiently well established to support further attacks such as those in Delhi and Bangalore.

THE IT-FRIENDLY SOUTH IS THE NEW FRONTIER

14. (C) Ajai Sahni and Suba Chandran argue that local terrorist support structures exist in Mumbai, Hyderabad, and Bangalore. Wilson John agreed, also mentioning Delhi, Nalgonda (in Andhra Pradesh), and the Nagpada neighborhood in Mumbai as areas with significant networks. All commentators pointed to Hyderabad as a continued focus of attacks because of its substantial multinational presence and large Muslim community. Suba Chandran asserted that local cells have been recruited from the large numbers of Kashmiris drawn to Mumbai and the south by greater economic opportunities, and that LeT may have forged an alliance with the criminal network of the Pakistan-based gangster Dawood Ibrahim (we are skeptical). Such an alliance would provide a ready-built network of supporters, but would carry with it the risk of increased police and intelligence penetration of a less motivated and ideologically committed cadre of supporters.

LOOKING TO SCARE AMERICAN FIRMS?

15. (C) Ajai Sahni and Wilson John believe that the Bangalore attack represents a shift in target selection for the Jehadi organizations, and that future attacks will focus on economic targets in order to undermine the Indian investment climate,

and deter foreign investors, many of which are American companies. Wilson John said that debriefings of captured terrorists reveal a consistent desire to hit economic targets such as IT companies in Hyderabad. Suba Chandran, however, cautioned that we should be careful not to read too much into the latest choice of targets, believing that the key determinants remain the ease of striking the proposed target and the possibility of casualties. Future targets could include more purely economic targets but, in his opinion, more probably will be rail or bus stations, crowded markets, or other similar public spaces.

¶16. (C) Commentators agreed that the state police forces in Andhra Pradesh and Karnataka have relatively little experience with terror investigations and much more limited intelligence networks than, for instance, the Delhi, Kashmir, and Mumbai police. Such limitations could hamper investigations and attempts to disrupt future attacks.

HINDU HIRED HITMEN BOLSTER JEHADIS

¶17. (C) Media reports indicate that growing numbers of young men in J&K have joined jihadi organizations for financial,

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rather than ideological, reasons. Some of these recent recruits have been drawn from the Hindu community, even though terrorists continue to massacre local Hindus, often by slitting their throats. Money, power, and protection appear to drive the new recruits, who are often from the most impoverished and violence wracked parts of J&K. In the Doda district, for instance, the Hizbul Mujahideen (HM) reportedly paid recruits an induction fee of 50,000 INR (about USD 1,100) and monthly salaries of 2,500 INR, more than the 1,500 INR salary of special police officers in the district. India Today recently reported how local Hindu recruits were also tempted by the power being a terrorist offered, especially by way of extortion opportunities, and seemed little interested in HM's ideology. Finally, membership in terrorist organizations provides the recruit and his family some protection from terrorist strikes. Cases of Hindus joining jihadi organizations remain rare, however, and are likely to remain no more than an intriguing footnote to terrorism in J&K.

A NEW LOW: MIXING TERROR WITH POLITICS

¶18. (C) Recent media reports have highlighted a linkage between jihadi organizations and established political organizations within J&K. Party jobs give terrorists access to high-value targets, security access passes, VIP cars, and more. GOI security forces recently arrested Gul Rafique, a National Conference leader and former member of the J&K legislature, on charges of using his official vehicle to escort a terrorist commander from J&K to Amritsar. In early January 2006, police arrested a councilor, Abdul Wahid Dar, of the Peoples' Democratic Party (PDP), alleging that he had provided logistical and financial assistance to a LeT suicide squad planning an attack on former Chief Minister Mufti Mohammed Sayeed, a member of Dar's own PDP party.

¶19. (C) Suba Chandran stated that he believed that jihadi organizations were intent on forging links with the educated elite in J&K, and with using political organizations as fronts for terrorist activities. Wilson John concurred, and claimed that these linkages were long established, but only recently discovered. He expressed particular concern over the fact that the alleged links to terrorists cut across party lines within J&K. He did not believe that the GOI was devoting sufficient resources to the investigation of such linkages.

COMMENT - CHANGE IN JEHADI TARGETS THREATENS AMERICANS

¶10. (C) The expansion of the jihadi organizations' ability to strike across India will probably be the most significant terror trend in 2006. Although facing some constraints in terms of limited organizational and support networks outside of J&K, the jihadi organizations have demonstrated an ability to mount significant operations in major population centers like New Delhi, Bangalore, Ayodhya, and Hyderabad. Such attacks can be expected to continue, and will possibly threaten American citizens and corporations. Americans could be the indirect victims of attacks on public places, or the intentional targets of terrorist strikes on technology corporations and educational institutions. The threat to American lives posed by the jihadi terrorists underlines the

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need to enhance intelligence sharing with India on terrorist threats, both those within India and those emanating from Pakistan.

¶11. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
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